

STATE OF NORTH CAROLINA	REQUEST FOR BEST AND FINAL OFFER (BAFO) ITS-007062-1
North Carolina Office of State Controller	Offers will be received until: May 31, 2013
	Contract Type: Open Market
Refer <u>ALL</u> Inquiries to: Tim Lassiter	Issue Date: May 24, 2013
Telephone No. (919) 754-6526	Commodity: Electronic Funds Transfer Financial Services
E-Mail: tim.lassiter@nc.gov	Using Agency Name: N.C. Office of State Controller
(See page 2 for mailing instructions.)	Agency Requisition No. OSC 14-05001

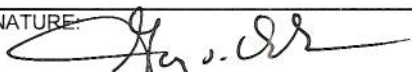
NOTICE TO VENDOR Offers, subject to the conditions made a part hereof, will be received at this office, Wake Forest Road, Raleigh NC, 27609 until 2:00 p.m. Eastern Standard Time on the day of opening and then opened, for furnishing and delivering the goods and services as described herein. Refer to page 2 for proper mailing instructions.

Bids submitted via facsimile (fax) machine in response to this Best and Final Offer (BAFO) will not be accepted. Bids are subject to rejection unless submitted on this form.

EXECUTION

In compliance with this Request for Best and Final Offers (BAFO), and subject to all the conditions herein, the undersigned offers and agrees to furnish and deliver any or all goods and services which are offered, at the prices agreed upon and within the time specified herein. Pursuant to GS § 147-33.100 and under penalty of perjury, the undersigned Vendor certifies that this offer has not been arrived at collusively or otherwise in violation of Federal or North Carolina law and this offer is made without prior understanding, agreement, or connection with any firm, corporation, or person submitting an offer for the same commodity, and is in all respects fair and without collusion or fraud.

Failure to execute/sign offer prior to submittal shall render quote invalid. Late offers are not acceptable.

VENDOR: Bank of America	E-MAIL: gary.l.clark@baml.com	
STREET ADDRESS: 421 Fayetteville St.	P.O. BOX:	ZIP: 27601
CITY & STATE & ZIP: Raleigh, NC 27601	TELEPHONE NUMBER: 919-585-2270	TOLL FREE TEL. NO:
TYPE OR PRINT NAME & TITLE OF PERSON SIGNING: Gary L. Clark, Senior Vice President	FAX NUMBER: 919-882-8257	
AUTHORIZED SIGNATURE: 	DATE: May 24, 2013	

Offer valid for forty-five (45) days from date of opening unless otherwise stated here: ____ days

ACCEPTANCE OF BEST AND FINAL OFFER

If the State accepts any or all parts of this offer, an authorized representative of Office of State Controller (OSC) and Dept. of State Treasurer (DST) shall affix her/his signature to the Vendor's response to this Request for BAFO. The acceptance shall include the response to this BAFO, any provisions and requirements of the original RFP which have not been superseded by this BAFO and the IT Procurement Office General Terms and Conditions for Goods and Services together with other documents as indicated by the Order of Precedence (below). These documents shall then constitute the written agreement between the parties. A copy of this acceptance will be forwarded to the successful Vendor(s).

<u>FOR OSC/DST USE ONLY</u>
Offer accepted and contract awarded this ____ day of _____, 20__, as indicated on attached certification,
by _____ (Authorized representative of OSC).
By _____ (Authorized Representative of DST)

MAILING INSTRUCTIONS: Mail one fully executed original and one copy of the response. Address package and insert ITS BAFO control number as shown below. It is the responsibility of the vendor to have the BAFO in this office by the specified time and date of opening.

DELIVERY

BAFO NO. ITS-007062-1

Statewide IT Procurement

Attn: Tim Lassiter, Assistant Chief

3900 Wake Forest Road

Raleigh, NC 27609

SOLICITATION REQUEST FOR BEST AND FINAL OFFER (BAFO):

This request is to acquire a best and final offer from Bank of America for mutual terms and conditions and better pricing. Your offer should integrate the previous response to the RFP and any changes listed below. Any individual vendor can receive a different number of requests for BAFOs than other bidders.

The State encourages the vendor to supply more competitive prices. Vendor should submit its most competitive prices below in response to this request for BAFO.

Please Note: This bid is still in the evaluation period. During this period and prior to award, possession of the BAFO, original bid response and accompanying information is limited to personnel of the Statewide IT Procurement Office, and to agencies responsible for participating in the evaluation. Bidders who attempt to gain this privileged information, or to influence the evaluation process (i.e. assist in evaluation) will be in violation of purchasing rules and their offer will not be further evaluated or considered.

A. BAFO COST:

1) The Vendor, Bank of America (Bank) is urged to provide a revised Cost Table more advantageous to the State (to be attached as Exhibit D) modifying the original response to this solicitation. Vendor is urged to provide any further cost reductions and attach them in response to this BAFO as a final offer. Please resubmit your cost for each unit as previously supplied on page 46 of your RFP response. Projected non-CPS ACH Origination Files Transmitted is 1,880 files. Also, Monthly Online Reporting category needs to be broken out "same day" and "previous day" reporting as separate line items in the cost proposal. Please provide a listing of your other reports that are available and the cost associated with them.

Other Standard Reports attached as Exhibit D-1.

2) Bank of America agrees to provide 3 months analysis credit beginning January 1, 2014 to help offset the cost of moving to the Bank platform. The start date of said analysis credit may be altered upon joint agreement of OSC, DST and Bank.

B. TERMS AND CONDITIONS

I. **Order of Precedence; Incorporated Attachments.** Notwithstanding any provision of any other Bank or Office of the State Controller (OSC) and Department of the Treasurer (DST) document herein, upon acceptance by an authorized representative of the OSC and DST, the RFP document as posted, this document and the following mutually agreed attachments (Exhibits A-C) will constitute the agreement (Agreement) between the parties, in the following Order of Precedence: 1) the NC Office of State Controller and the NC Department of State Treasurer governing Request for Proposal, ITS-007062 and any BAFOs ("RFP"), including a) provisions of the RFP Special Terms and Conditions specific to this Procurement, and b) the RFP requirements and specifications, 2) the Bank's *General Provisions* (Exhibit A attached and incorporated herein), and 3) Bank *Service Addenda: Treasury Service Agreement(s) a) Automated Clearing House (ACH) Authorization – Receive, Service Addendum* (Exhibit B attached and incorporated herein), and b)

II. **Clarifications.** Vendor, Bank of America (Bank) and the N.C. Office of State Controller (OSC) negotiated the following Clarifications, which the parties now agree are a part of the Agreement:

Bank Clarifications:

A. Bank Personnel

It is the intent of Bank that no changes to key team members will be made during the term of this contract. With that understanding, there are circumstances where the bank has little or no control over an employee who may choose to leave the bank's employment or decides to change jobs. We can agree to give the State of North Carolina written notice, should a key team member need to be changed for any reason. We will then work diligently to find a suitable replacement acceptable to the State of North Carolina.

B. Confidentiality Agreement Requirements

Information Protection is of paramount importance to the Bank and we do require annual training for all employees on this matter and obtain their agreement to comply with our Code of Ethics and Information Protection requirements. However, employees and vendors of Bank are not required to individually sign nondisclosure agreements.

C. Forced Disclosure

In the normal course of business Bank is required to release certain information under specific circumstances and cases, including but not limited to, bank regulators, legal process and court orders. This information will be released without the prior written consent or approval of the State, but the State will be given opportunity to defend against such release before it is finalized.

D. Conflict of Interest

Given the magnitude and size of Bank it is not feasible to commit that during the life of this contract that the bank will not acquire or employee any interest, directly or indirectly, that might conflict with the State of North Carolina. However, it is our endeavor that no such relationship will impact the quality or level of services and/or products offered under this contract. Bank acknowledges that it is the policy of the Department of State Treasurer (DST) that no separated DST employee can work for a bank providing DST accounts for one year following separation.

E. Additional Clarifications (Please add your response after each numbered paragraph.)

- 1) Training – the State would like an Annual Training Plan that includes rule changes, new employee offerings, and general Treasury Management updates. Please provide in your response to the BAFO and outline of an annual training plan.
- 2) Customer Service – please outline in detail the key players that will be associated with the State of NC and this contract, including their roles and responsibilities and points of escalation.
- 3) Please provide in your BAFO response a tentative schedule for semi-annually contract review meetings.
- 4) Please provide a marketing plan for adding additional participants to the EFT Contract. Also, include how current participants will be folded under this contract.
- 5) Please explain and show how the Office of State Controller can run YTD reports on contract volumes and transactions.
- 6) Conversion Plan – please provide a detailed project plan for conversion of the 226 accounts. Including training, participant account setups forms and processing for adding, account security details, tentative date and list of attendees for initial conversion planning meeting.

Please see Exhibit E for Bank of America Responses to Section E.

ATTACHMENTS

EXHIBIT A

Bank's General Provisions

Treasury Services Agreement

General Provisions

These General Provisions and attached Service Agenda, revised as agreed and consistent with and subject to, the RFP, are incorporated into the RFP for purposes of execution. In connection with the provision of such Services, the Bank will also provide informational User Documentation containing detailed instructions regarding the use of such Service.

Client and Bank agree to these General Provisions ("General Provisions") as an attachment to the RFP, which RFP, under the agreed Order of Precedence, will govern Client's use of any of Bank's applicable Treasury Services as more specifically detailed in the attached Addenda as listed above. Additional terms and conditions for a particular Service are contained in any relevant Service Addendum.

1. DEFINITIONS Reserved.

2. TREASURY SERVICES

These General Provisions become effective with respect to a Service described in an Addendum hereto when the RFP (with incorporated documents) has been executed by Client and Bank. Subject to the terms and conditions of the Agreement, Bank will provide use of a Service when Bank has received all required and properly executed forms and Client has satisfactorily completed Bank's testing and training requirements, if any, in the use of the Service.

3. PAYMENT OBLIGATIONS Reserved. See, North Carolina Information Technology Procurement Office General Terms and Conditions for Goods and Related Services (herein, N.C. General Terms) paragraph No. 17.

4. CONFIDENTIALITY Reserved. See, N.C. General Terms, paragraph No. 22

5. CURRENCY EXCHANGE RATES

(a) If a transaction involves a currency other than the currency in which the relevant account is denominated, Client's funds will be exchanged for such other currency at a current rate of exchange on or before the Transaction date, as the case may be, in accordance with Bank's normal procedures (including applicable User Documentation). If Bank assigns a currency exchange rate to Client's transaction, such exchange rate will be determined by Bank based upon market conditions. Bank may consider many factors in setting its exchange rates, including without limitation exchange rates charged by other parties, desired rates of return, market risk and credit risk. Client acknowledges that exchange rates for retail and commercial transactions, and for transactions effected after regular business hours and on weekends, are different from the exchange rates for large inter-bank transactions effected during the business day, as reported in The Wall Street Journal or elsewhere. Exchange rates offered by other dealers, or shown at other sources (including online sources) may be different from Bank's rates.

(b) Bank does not accept any liability if Bank's exchange rates are different from rates offered or reported by third parties, or offered by Bank at a different time, at a different location, for a different transaction amount, or involving a different Transaction media (banknotes, check, wire transfer, deposits etc.). Currency exchange rates fluctuate over time, and Client acknowledges and accepts the risks of such fluctuations: (i) in the case of Requests, between the time Client initiates a Request and the time the transfer is either completed or is unwound due to a cancellation, amendment, rejection or return, (ii) in the case of checks, between the time Client requests that Bank create a check and the time Bank debits Client's account to cover such check and/or the time Bank re-credits Client's account if the check is stopped in accordance with the applicable stop payment procedures, (iii) in the case of drafts, between the time Client prints a draft, or requests the Bank print a draft, and the time Bank transfers funds from Client's account to cover such draft, and (iv) in the case of deposits, between the time Client initiates such deposit and the time Bank confirms the rate to the Client.

(c) Any Transaction which is returned to Bank will be charged back or credited back, as the case may be, at Bank's selling rate for the foreign currency on the day an item is received by Bank. Reclamation periods in foreign countries are not the same as those in North America and in most instances are of a longer duration.

6. CLIENT'S REPRESENTATIONS

Client represents to Bank on each day on which a Service is provided that, subject specifically to the Sovereignty of the State of North Carolina, (i) the Agreement under its terms constitutes its duly authorized, legal, valid, binding and enforceable obligation; (ii) the performance of its obligations and the consummation of the transactions contemplated under the Agreement will not (A) constitute or result in a breach of the provisions of any material and relevant contract to which it is a party or by which it is bound or (B) result in the violation of any applicable law, regulation, judgment, decree or order applicable to it or to which the State has specifically agreed to waive its Sovereignty; (iii) the debiting of any account as provided in the Agreement is not inconsistent with any restriction on the use of that account; (iv) all approvals and authorizations required to permit the execution, delivery, performance and consummation by Client of the Agreement and the transactions contemplated under the Agreement have been or will be obtained, including but not limited to due authorization (Participation Agreements) from each applicable State entity or agency user or other third party to allow Client to transfer funds and access information from such party's account; (v) neither Client's performance of its obligations nor Client's use of any Service will facilitate known illegal transactions or otherwise violate any relevant law, rule, regulation, judgment, decree or order applicable to Client for which the State has specifically agreed to waive its Sovereignty; (vi) the Services Client receives pursuant to this Agreement are for governmental use only and are not primarily for personal, family or household use.

7. LIMITATION OF LIABILITY Bank of America is liable for actual, direct damages when we fail to exercise reasonable care when providing services.

8. PROTECTION FROM THIRD PARTIES. Bank of America agrees to indemnify the State from third party claims with a cap on indemnification liability of one year's annual revenue. This limitation is specific to indemnification.

9. SUSPENSION AND TERMINATION

(a) The termination provisions of the RFP govern, but are modified by providing in the NC General Terms, paragraph 32 Termination, specifically b), ii) Termination for Convenience Without Cause, that either party can terminate for convenience and that "thirty (30) days" is modified to read "one-hundred eighty days."

(b) Bank may terminate the Agreement or any or all Services by providing a 30 day written notice and period for cure. The parties will work in good faith to keep banking services operational for the State. If the State has not cured the issue within 30 days from notice, the Bank may terminate by providing 90 days written notice after failure to cure. The Bank will send Client notice of the termination, if any of the following occurs: (i) Client breaches any of the terms and conditions in these General Provisions, the relevant Service Addendum or any other agreement with Bank; (ii) Client terminates, liquidates or dissolves its business, or disposes of a substantial portion of its assets; (iii) Client fails generally to pay its debts as they become due; (iv) Client, voluntarily or involuntarily, becomes the subject of any bankruptcy, insolvency, reorganization or other similar proceeding; (v) Client initiates any composition with creditors; (vi) Client experiences a material adverse change in its financial condition or its ability to perform its obligations under the terms and conditions in this Agreement; (vii) any guaranty of Client's obligations to Bank terminates, is revoked or its validity is contested by the guarantor, or any of the events set forth in items (i) through (vi) attributable to the Client occur to the guarantor; or the account necessary to provide any Service is closed.

10. OVERDRAFTS

With respect to a Service, Bank has agreed to allow an overdraft to occur in Client's account as required in the RFP. Except as Bank agrees or advises Client otherwise in writing, Client must repay Bank as agreed, without demand, the amount of the agreed and permitted overdraft.

11. COMMUNICATIONS

(a) Client agrees that Bank, upon prior notice, may electronically record or monitor any telephone communications with Client in those countries or jurisdictions which permit that practice. If Bank's records about any such communication are different from Client's, Bank's records will govern.

(b) If Client chooses to use unencrypted electronic mail to initiate payment requests or other instructions or otherwise communicate with Bank, Client's use of such electronic mail with respect to a Service comes with some risk to the sender and will be subject to the terms and conditions of the Agreement and consistent with the applicable User Documentation. In addition, Client agrees that Bank may rely on the integrity of facsimile transmissions that you send Bank as provided in No. 16 below.

12. E-STATEMENTS

If Client uses a Website, Client will receive e-Statements electronically, unless Client opts out. If Client is not currently receiving e-Statements, Bank reserves the right to switch Client to receipt of e-Statements unless Client notifies Bank that Client wishes to opt out. Client may opt out by contacting Client's treasury services representative. Client agrees that this Agreement may constitute an agreement under the Uniform Electronic Transactions Act pursuant to limitations in applicable NC state law, N.C.G.S. § 66-311, *et seq.*, subject to the limitations of N.C.G.S. Article 11A, *Electronic Commerce in Government*.

13. PERFORMANCE

(a) Bank will be responsible only for performing the Services expressly provided for in the Agreement.

(b) Bank may contract with an outside vendor in providing any of these Services with prior notice and agreement by the Client. With respect to any Service, Bank will provide Client with assistance by telephone at the numbers and during the hours specified by Bank in writing from time to time.

(c) Client is responsible for maintaining the security of its data and ensuring that it is adequately backed-up. Bank is not responsible for Client's loss of its data.

14. ADVERTISING Supplementing paragraph No. 21) of the N.C. General Terms:

Neither Client nor Bank shall use the other party's name or refer to the other party directly or indirectly in any solicitation, marketing material, advertisement, news release or other release to any publication without receiving the other party's specific prior written approval for each such use or release.

15. NOTICES

Any written notice or other written communication (such as a notice of issues with the ACH or Wire transfer system) are to be given under the Agreement addressed to each party at its address set forth at the end of these General Provisions or to such other address as a party may specify in writing. Notices shall be effective upon receipt, except as otherwise provided in the Agreement. See, N.C. General Terms No. 43).

16. FACSIMILE SIGNATURES

(a) Although not anticipated at this time, if Client chooses to use a Facsimile Signature, Client must provide Bank with a specimen of each such Facsimile Signature.

(b) Client is responsible for any withdrawal from Client's deposit account that bears or reasonably appears to Bank to bear Client's Facsimile Signature, regardless of by whom or by means the signature was placed on the check. Also Client shall be responsible, and Bank may pay a withdrawal and debit Client's account for any such withdrawal, even if (i) Client has not presented Bank with a specimen Facsimile Signature; (ii) the size, color or style of the check is different from that of the check Client uses; or (iii) the size, color or style of the Facsimile Signature is different from that of the Facsimile Signature Client uses.

(c) Upon a court order, the Client will compensate Bank for all losses, claims, damages or expenses, including Legal Expenses, that result from our payment of a withdrawal bearing a Facsimile Signature that reasonably resembles Client's Facsimile Signature.

(d) Client is responsible for taking security measures and implementing procedures to prevent the forgery, theft or fraudulent or unauthorized use of Client's Facsimile Signature.

17. ACCESSING SERVICES VIA THE INTERNET

Bank may make certain Services available via one or more Websites. Client agrees to access and use Websites only for the lawful purposes intended and not for any purpose of commercial exploitation. Bank may suspend Client's access to, and/or use of, a Website immediately without notice where such action may be required to protect Client or to prevent interference with or disruption to services to other customers, to protect the integrity of Bank's systems, or as may be required by law or regulation; Provided, that Bank will work with Client to immediately resume service in an acceptable and secure manner.

18. AGREEMENT Reserved.

19. ORAL INSTRUCTIONS

Supplementing paragraph 36 of the N.C. General Terms, and with respect to compliance with any applicable Security Procedure (as defined in the applicable Service Addenda), if reasonable under the circumstances at the time, Bank may rely on oral instructions from any person who identifies himself or herself by a name which is included on a written list from Client of persons authorized to give such instructions. Client will update this list from time to time as necessary to reflect any changes in authorized persons. Except as otherwise expressly stated in the Agreement, Bank is not required to act on any instruction from any person or to give notices to any person. The parties may agree to a security code procedure, as needed.

20. SEVERABILITY Reserved. See, Paragraph 50 of the N.C. General Terms.

21. WAIVER

No delay or failure to exercise any right or remedy under the Agreement shall be deemed a waiver of such right or remedy. No waiver of a single breach or default under the Agreement shall be a waiver of any other breach or default. Any waiver under the Agreement must be in writing.

23. PARTIES IN INTEREST/RELATIONSHIP Reserved. See, paragraph 41 of the N.C. General Terms.

24. GOVERNING LAW Reserved. See, paragraph 47 of the N.C. General Terms.

The following addresses may be used for giving notices in connection with this Agreement except as Client or Bank provide the other party different addresses to be used in conjunction with Client's accounts or particular Services.

ADDRESS FOR NOTICES TO CLIENT:

Sharon Hayes

Director of eCommerce Initiatives, NC OSC

3512 Bush Street – MSC 1410

Raleigh, North Carolina 27699 – 1410

Office: (919) 707-0491

ADDRESS FOR NOTICES TO BANK:

Bank of America Corporation

Documentation Management (CA4-706-04-07)

P.O. Box 27128

Concord, CA 94527-9904

Fax Number: (925) 675-7131

FOR BANK USE ONLY

GCI Number(s):

Telephone Number: ()

Fax Number: ()

EXHIBIT B

*Bank Service Addenda: Treasury Service Agreement(s):
Automated Clearing House (ACH) Authorization – Receive, Service
Addendum*

Bank of America Treasury Services Agreement Automated Clearing House (ACH) Authorization – Receive Service Addendum

This Service Addendum to the General Provisions is made between Client and Bank as part of the Agreement (as defined in the General Provisions) between the parties with respect to the Services that are more specifically detailed below. Capitalized terms used and not defined in this Service Addendum have the meanings assigned in the General Provisions.

Bank, upon request, will supply a List of Banks and Services that includes the names of the Services currently offered by Bank which are covered by this Addendum. (This Addendum applies only to ACH Authorization - Receive Services for Entries received in the United States of America.) Bank may update the list from time to time. Client may contact its Bank representative at any time in order to receive an updated list.

1. DEFINITIONS

(a) "EPN Rules" means the Electronic Payments Network Rules of Membership and the Operating rules, or such later revisions as may be adopted, and includes, but is not limited to, the Rules pertaining to UPICs (EPN UPIC Rules), all collectively referred to as the EPN Rules, to the extent applicable to Client.

(b) "Entry" has the meaning provided in the NACHA Rules and also includes any data for Entries, any prenotification and any Entries initiated through an EDI payments system approved by Bank.

(c) "NACHA Rules" means the rules of the National Automated Clearing House Association (including any other clearing house rules applicable to automated clearing house transactions), as amended from time to time.

(d) "Service" means each ACH Authorization - Receive Service, as more fully described in the applicable User Documentation, which allows Client to provide Bank with the authorization criteria for Entries Client desires to receive for debit or credit to Client's account.

(e) "UPIC" means the Universal Payment Identification Code, which is a unique number that identifies both an eligible account at a UPIC Participant, and the UPIC Participant that holds the eligible account. Capitalized terms in this Addendum, not otherwise defined, are defined in the EPN Rules.

(f) "User Documentation" means any written information Bank provides to Client, including information in electronic format, as amended from time to time, which contains detailed instructions regarding the use of a Service as provided by a particular banking center or office. User Documentation may vary from one jurisdiction to another. Current User Documentation is available upon Client's request.

2. ACH AUTHORIZATION - RECEIVE SERVICE

(a) Client will provide authorization criteria in a manner and form acceptable to Bank. In Client's authorization criteria, Client may specify a maximum amount or a fixed amount for the Entries. In either case, Client must specify the amount in dollars and cents.

(b) Bank will return any Entry which does not meet the criteria set by the client. Bank may also return an Entry for any reason that an Entry may be returned under the NACHA Rules. The Service does not apply to transactions between Client and Bank, and Bank may pay Entries which Client has authorized Bank to originate to Client's account (e.g., loan or credit card payments), whether or not Client has included these in Client's authorization criteria. Bank may also pay any Entries, reversals or adjustments which Bank is required to accept under the NACHA Rules, EPN Rules, operating circulars or any other applicable rule, guideline or regulation.

(c) When a Service is terminated for any reason, Bank will no longer be obligated to monitor Entries against Client's authorization criteria and Bank will receive and accept or return Entries to Client's account in accordance with Bank's normal

procedures. Client still has the right to return Entries in accordance with the NACHA Rules.

(d) For certain other ACH Authorization - Receive Services, where available, we may, in our sole discretion, assist Client to obtain a UPIC in accordance with the EPN UPIC Rules. Each time Client uses or authorizes a transaction using a UPIC, Client represents that Client will abide by the UPIC Rules to the extent they are applicable to Client. Client may not assign or transfer Client's UPIC to any other entity without Bank's express, advance, written consent.

3. PROVISIONAL PAYMENTS

Client agrees to comply with the NACHA Rules and UPIC Rules for all Entries. Under the NACHA Rules, and UPIC Rules, credit Entries are provisional and may be revoked prior to final settlement. If the credit Entry is revoked before final settlement and Bank does not receive final settlement, Bank may charge Client's account for any amount credited. The person who sent the credit Entry is considered not to have paid Client. If this happens, Bank does not send a separate notice; Bank notifies Client of these credits and charges on Client's account statement.

4. SUPPLEMENTAL TERMINATION Reserved. See, N.C. General Terms, No. 32, as modified.

5. CHANGES TO PROCESSING INSTRUCTIONS

Client may request Bank at any time to change the processing instructions for a Service by contacting its Bank representative. Bank will not be obligated to implement any requested changes until Bank has had a reasonable opportunity to act upon them. In making such changes, Bank is entitled to rely on requests purporting to be from Client. For certain changes, Bank may require that Client's requests be in writing, in a form and manner acceptable to Bank, or be from an authorized person designated by Client. In addition, certain requests may be subject to Bank's approval.

6. BANK AGREEMENT Reserved.

EXHIBIT C

*Bank Service Addenda: Treasury Service Agreement(s):
Wire Transfers and International Electronic Funds Transfer Service
Addendum*

Bank of America Treasury Services Agreement

Wire Transfers and International Electronic Funds Transfer Service Addendum

This Service Addendum is an attachment to the Bank General Provisions which is a part of the Agreement between the parties with respect to those Services provided by Bank to the Client as more specifically defined below (excluding Automated Clearing House (ACH) Services within the United States of America, which are covered by the ACH Service Addendum). Capitalized terms used and not defined in this Service Addendum have the meanings assigned in the General Provisions.

1. DEFINITIONS

(a) "Bank Statement" means, for the applicable account, (i) each periodic account statement issued by Bank, (ii) any written or electronic advice to Client from Bank or (iii) any electronic report produced through one of Bank's information reporting services which Client receives.

(b) "Collected and Available Funds" means funds in an account equal to the ledger balance minus float which, in Bank's reasonable determination, are not subject to a hold, dispute or legal process preventing their withdrawal. The parties acknowledge that Bank has agreed to a significant daily overdraft (float), as provided in the Agreement.

(c) "Fedwire" means the funds transfer system owned and operated by the Federal Reserve Banks of the United States of America that is used primarily for the transmission and settlement of payment orders governed by the Fedwire Regulation, but does not include the system for making automated clearing house transfers.

(d) "Fedwire Regulation" means Subpart B of Regulation J of the Board of Governors of the Federal Reserve System of the United States of America, as amended from time to time.

(e) "International Electronic Funds Transfer Service" means each electronic payment service which allows Client to transfer funds to or from Client's accounts outside the United States of America or to or from Client's accounts in the United States of America to or from an account in a different receiving country. These services include low-value batch payments made according to multiple requests within a single electronic data file. International Electronic Funds Transfer Services exclude ACH Services within the United States of America and exclude Wire Transfer Services.

(f) "Multibank Instructions" means Client's ability to relay instructions through Bank to another bank to wire transfer funds from one of Client's accounts held at the other bank.

(g) "Request" means a request by means permitted under the relevant Service to transfer funds to or from a specified account or beneficiary (including standing instructions) or to amend or cancel a prior request to transfer funds.

(h) "Security Procedure" means, unless otherwise agreed in writing by Client and Bank, the procedure specified for a particular Service used by Client for verifying the authenticity of Requests, as described in the applicable User Documentation.

(i) "Service" means each Wire Transfer or International Electronic Funds Transfer Service which allows Client to instruct Bank to transfer funds electronically and, as appropriate, to transmit related messages as more fully described in the applicable User Documentation.

(j) "SWIFT" means the international electronic message-transfer service known as the Society for Worldwide Interbank Financial Telecommunication.

(k) "UCC 4A" means Article 4A of the Uniform Commercial Code – Funds Transfers, as adopted by the state in the United States of America whose law applies to a Service, as amended from time to time.

(l) "User Documentation" means any written informational material Bank provides Client, including information in electronic format, as amended from time to time, which is not a part of the Agreement, and which contains detailed instructions regarding the use of a Service as provided by a particular banking center or office. User Documentation may vary from one jurisdiction to another. Current User Documentation is available upon Client's request.

(l) "Wire Transfer Service" means each of the Bank's U.S. domestic and worldwide wire transfer services, including the Multibank Service.

2. WIRE TRANSFER AND INTERNATIONAL ELECTRONIC FUNDS TRANSFER SERVICES

(a) Wire Transfer and International Electronic Funds Transfer Services permit Client to transfer funds electronically and, as appropriate, to transmit related messages as more fully described in the informational and applicable User Documentation. These transfers are typically from Client's accounts with Bank to other accounts at Bank, at Bank's affiliates or at other eligible banks. These transfers may also include transfers to Client's accounts with Bank from Client's accounts at other banks. These transfers may be made according to a specific request from Client or according to Client's standing instructions (which may include daily sweeps from Client's accounts at Bank's affiliates to Client's account with Bank). They also may be low-value batch payments made according to multiple requests within a single electronic data file for transfers to or from Client's accounts.

(b) If a Request involves a currency other than the currency in which the relevant account is denominated, Client's funds will be exchanged for such other currency at a current rate of exchange on or before the transfer date in accordance with Bank's normal procedures. Currency exchange rates fluctuate over time, and Client acknowledges and accepts the risks of such fluctuations between the time Client initiates a Request and the time the transfer is either completed or is unwound due to a cancellation, amendment, rejection or return.

3. MULTIBANK SERVICE

(a) The Multibank Service permits Multibank Instructions.

(b) Before using the Multibank Service, Client must provide Bank with the account number and bank name for each account to be debited using this Service. Client also must provide the bank holding the debit account with express, written authorization (with a copy to Bank where requested) to act on SWIFT payment instructions Bank sends to it under this Service. Client agrees that Bank may rely on that authorization until Bank has had a reasonable opportunity to act on notice that it has been revoked.

(c) Multibank Instructions are not payment orders to Bank, and Bank has no obligation to execute, transmit or accept any payment orders made to Bank under the Multibank Service.

(d) If Bank receives any Multibank Instruction via SWIFT, Bank will relay Client's instructions to the receiving bank, subject to business day schedules for Bank, SWIFT and the receiving bank. Bank will have no liability arising out of or relating to Bank's forwarding, or any rejection by the other bank of, any such instruction which is not in the SWIFT format required by the other bank for such instruction. Client's Multibank Instructions to Bank via SWIFT must be sent to the SWIFT address specified by Bank to Client from time to time.

(e) If Bank receives any Multibank Instructions other than via SWIFT, Bank will either (i) where feasible, create a SWIFT formatted message from Client's instruction and relay it by SWIFT to the other bank or (ii) use whatever means or medium Bank deems appropriate, including use of third-party facilities, to reformat and transmit Client's payment order to another bank, and Bank has no duty to do so if Client's request is defective, incomplete, erroneous or inconsistent with the terms

of this Agreement. Bank may act on Client's multibank Instructions as Bank reasonably considers appropriate notwithstanding any error, omission, defect or lack of clarity in its terms and even if the requests appear to duplicate other multibank Instructions. Client agrees that Client's indemnity of Bank, as set forth in the Protection from Third Parties section (section 8) of the General Provisions, applies to any claims by another bank based on Bank's sending a multibank request containing any error, omission, defect or lack of clarity.

(f) If Client wishes to cancel or amend a payment order set forth in a Multibank Instruction, Client must contact the bank to which the payment order is directed and act in accordance with its procedures.

(g) Reports on Multibank Instructions which Bank has processed may be included in an Information Reporting Service if Client has arranged such reports from the bank that is subject to such instructions.

4. SECURITY PROCEDURE

(a) Client agrees to use the Security Procedure when Client delivers Requests to Bank. The purpose of the Security Procedure is to verify the authenticity of Requests delivered in the name of Client to Bank and not to detect errors in the transmission or content of any Request. Each time Client uses a Service, Client represents to Bank that it has determined that, in view of Client's requirements, the Security Procedure is a satisfactory method of verifying the authenticity of Requests.

(b) Client agrees that Bank may act upon any Request, even if it is unauthorized, if Bank acts in good faith and complies with the applicable Security Procedure and any written agreement between Client and Bank restricting Bank's action on Requests. In such cases, Bank may enforce or retain Client's payment to Bank for such Requests; provided, however, Bank may not enforce or retain payment if Client proves that the unauthorized Requests were not caused by a person (i) entrusted at any time to act for Client with respect to Requests or the applicable Security Procedure, (ii) who obtained access to Client's premises, computer equipment or transmitting facilities or (iii) who obtained, from a source controlled by Client, information (such as keys and passwords) which facilitated breach of the applicable Security Procedure.

(c) Client shall have sole responsibility for the custody, control and use of all Materials. Client agrees that no individual will be allowed to initiate a Request or other instruction contemplated in the Agreement or to have access to any Materials without proper supervision and strict security controls. Bank will be fully protected in relying on the correct user identification codes and passwords, as described in the applicable User Documentation.

5. CLIENT RESPONSIBILITIES

(a) Before using a Service, Client shall provide Bank a written list, in a form acceptable to Bank, of the persons authorized to perform certain duties in connection with the Service. Client shall update such list from time to time as necessary to reflect any changes in authorized persons.

(b) Client must maintain and designate account(s) with Bank which Bank may, without prior notice or demand, use for debiting or crediting with respect to all Requests and related adjustments and charges under the Agreement. Subject to other provisions of the Agreement, Client must have Collected and Available Funds on deposit in its account which, when added to funds which may be made available under a line of credit or permitted float, are sufficient to cover its payment obligations for a Service.

(c) Client shall deliver each Request in accordance with the requirements of the Agreement and any applicable User Documentation. Client agrees that it shall not initiate any Request which would cause the applicable account balance, according to Client's records, including the available line of credit (if any) or agreed float, to be exceeded. Client further agrees that if a conflict occurs regarding the applicable account balance or permitted float, Bank's records (including information on accounts at other banks which are debited under a Service) will be controlling for the processing of any Request.

(d) Client shall pay Bank the amount of each payment made pursuant to a Request once Bank acts on, other than to reject, the Request.

(e) Client will pay Bank for the amount of any returned or rejected transactions, or any adjustments, which Bank has previously credited to Client's account.

(f) If, for any Business Day, Bank receives more than one Request and/or other items payable from Client's account, Bank may debit Client's account for such Requests and items in any sequence Bank determines in its sole discretion.

(g) Prior to initiating any Wire Transfer Service Request which instructs Bank to debit an account of a third party, Client shall provide Bank with documents, in form and substance satisfactory to Bank, from the third party authorizing such debits.

6. BANK RESPONSIBILITIES

(a) Subject to the terms and conditions of the Agreement (including but not limited to subsection 6(b) of this Service Addendum, as provided in the Order of Precedence above), Bank will act upon a Request after receipt of such Request by making applicable accounting entries or by transmitting payment instructions to the applicable bank or other party no later than the stated value date (if such date is not earlier than the day such Request is received), if such Request is received on a Business Day prior to Bank's applicable processing deadline, as specified in the applicable User Documentation. If applicable, Bank's acting upon a Request will also be subject to the business day schedule of any Bank banking center or affiliate holding an account to be debited or credited under a Service. Any Request received by Bank after the applicable processing deadline may be treated as received by Bank on the next Business Day. International Electronic Funds Transfers Service Requests will be deemed received by Bank when Bank receives the complete electronic data file at the location specified in the applicable User Documentation.

(b) (i) Bank may reject any Request which does not comply with the requirements of this Agreement, including any processing limits described in such User Documentation, or which Bank has been unable to verify through use of the Security Procedure.

(ii) Bank may also reject any Request which exceeds the Collected and Available Funds (including funds made available under a line of credit) on deposit in the applicable account.

(iii) Bank may also reject any Request if it may be returned for any reason under the applicable national payment system rules of the receiving country of Client's transaction.

(iv) Bank may also reject a Request which does not identify as the debit account an account of Client or an account of a third party with respect to which Client has met its obligations under subsection 5(g) of this Service Addendum.

(c) Bank may give notices of rejection to Client by telephone, by electronic means, by facsimile or by mail, depending upon the method of origination. Notices of rejection shall be effective when given.

(d) In acting on any Request, Bank may utilize any means of transmission, funds transfer system, clearing house or intermediary bank reasonably selected by Bank, even if Bank's selection differs from instructions in the Request.

(e) Except as otherwise expressly provided in the Agreement, Bank will not be required to act upon any notice or instruction received from Client or any other person or to provide any notice or advice to Client or any other person with respect to any matter under the Agreement. If reasonable under the circumstances at the time, Bank may rely on oral instructions from any person who identifies himself or herself by a name which is included on a written list from Client of persons authorized to give such instructions. If Client's records about such instruction differ from Bank's, Bank's records will govern. The parties may agree to a security code procedure, as needed.

7. CANCELLATION OR AMENDMENT BY CLIENT

Bank has no obligation to cancel, amend, or recall a Request after its receipt by Bank or to cancel, amend, or recall

any particular funds transfer requested by a standing instruction which is in effect, however, if Client sends Bank a Request instructing Bank to cancel, amend, or recall a prior Request and Bank is able to verify the authenticity of the cancellation, amendment, or recall Request using the Security Procedure, Bank will make a reasonable effort to act on that Request, but Bank has no liability if such Request is not affected.

8. LIMITATION OF LIABILITY; COMPENSATION

For each Wire Transfer or International Electronic Funds Transfer Service, the following replaces in its entirety the Limitation of Liability section of the General Provisions:

"(a) (i) For Requests which are subject to (A) UCC 4A or (B) the Fedwire Regulation, Bank will be liable only for Damages required to be paid under UCC 4A or the Fedwire Regulation, as applicable, except as otherwise agreed in the Agreement.

(ii) For all Requests not subject to UCC 4A and for all other obligations under the Agreement, Bank's liability is limited to actual Damages, resulting directly from Bank's willful misconduct or failure to exercise reasonable care, not exceeding the following, as applicable: (A) in case of an excessive debit to Client's account, the amount of the excess plus compensation equivalent to interest; (B) in case of payment to an account not specified by Client, the amount of the payment plus compensation equivalent to interest; (C) in case of any delay in crediting a transaction to Client's account, the amount of compensation equivalent to interest for the period of delay; or (D) in all other cases, the actual damages incurred by Client.

(iii) Client will use reasonable efforts to assist Bank in recovering the amount of any overpayment for which Bank is liable.

(iv) If Bank is obligated to pay interest compensation, Bank will pay such compensation or credit Client's account, as Bank determines, upon Client's written request. Bank will calculate compensation for the relevant period as specified in the Account Agreement or as Client may be advised by its Bank representative.

(v) If Client transmits a Request to Bank by way of a funds-transfer system or other third-party communications system not specifically required by Bank, the system is deemed to be Client's agent for that purpose. Bank is not liable to Client for any discrepancy between the terms Client transmits to such system and the terms it then transmits to Bank."

9. PROVISIONAL PAYMENTS Reserved.

10. INCONSISTENCY OF NAME AND NUMBER

A beneficiary's bank (including Bank when it is the beneficiary's bank) may make payment to a beneficiary based solely on the account or other identifying number. Bank or any

intermediary bank may send a Request to an intermediary bank or beneficiary's bank based solely on the bank identifying number. Bank, any intermediary bank and any beneficiary's bank may do so even if the Requests include names inconsistent with the account or other identifying number as long as the inconsistency is not known by Bank or such other bank. Neither Bank nor any other bank has a duty to determine whether a Request contains an inconsistent name and number.

11. NOTICE OF ACCOUNT STATEMENT DISCREPANCIES

Information concerning payments made pursuant to a Request will be reflected in one or more Bank Statements. Client must give Bank written notice (including a statement of relevant facts) within 14 calendar days after Client receives the first Bank Statement indicating a discrepancy between Client's records and the information shown in the relevant Bank Statement. If Client fails to give Bank the required notice, Bank will not be liable for any loss of interest or for any compensation for any loss or cost relating to an unauthorized or erroneous debit to Client's account or relating to any other discrepancy in the Bank Statement. Client must notify Bank promptly by telephone, confirmed in writing, if it learns of or discovers from any source other than a Bank Statement, information concerning an unauthorized or erroneous debit to Client's account.

12. FEDWIRE NOTICE

In connection with Client's use of a Service, Bank in acting upon a Request, and any subsequent bank in acting in a funds transfer intended to carry out a Request, may use Fedwire. The rights and obligations of Client and Bank in a funds transfer intended to carry out a Request, any part of which is carried out through the use of Fedwire, are governed by the Fedwire Regulation.

13. COMPLIANCE WITH RULES AND LAWS Reserved.

14. CHANGES TO PROCESSING INSTRUCTIONS

Client may request Bank at any time to change the processing instructions for a Service by contacting its Bank representative. Bank will not be obligated to implement any requested changes to a Service until Bank has had a reasonable opportunity to act upon them. In making such changes, Bank is entitled to rely on requests purporting to be from Client. For certain changes, Bank may require that Client's requests be in writing, in a form and manner acceptable to Bank, or be from an authorized person designated by Client. In addition, certain requests may be subject to Bank's approval.

15. BANK AGREEMENT Reserved.

Exhibit D

Bank's First Revised Cost Table

(Cost Table from Original Posting to be revised consistent with A. BAFO COST instructions and modifications, above)

Cost Proposal

1. The Vendor must provide a complete pricing schedule, to include startup costs and ongoing monthly costs. Any startup costs should be of the nature that can be allocated to the Participants receiving the service. It is desired that all cost, except for "per ACH origination item" fees be consistent regardless of the volumes. It is permissible for "per ACH origination item" fees to be based upon a tiered schedule. Should a tiered pricing schedule be offered, describe the proposed method of determining the level at which the Participants are to be invoiced, and the frequency of re-evaluation of the volume levels.
2. In addition to providing a pricing schedule, the following Cost Response Form must be completed, using the State's actual volume for the last two (2) fiscal years for estimating volume activity. An estimated quantity based on past history or other means may be used as a guide, but shall not be a representation by the State of any anticipated purchase volume under any contract made pursuant to this solicitation.
3. For evaluation purposes only, the State will determine the assumed cost over a five (5) year period.

EFT Cost Proforma - EFT - BAFO Attachment D

	FY2011-2012	Per Unit Cost	Annual Cost
ACH Origination Services			
ACH Monthly Maintenance per Account	1318	\$ 4.00	\$ 5,272.00
A CH Credits/Debits/Prenotes Originated Annually	13,905,540	\$.0048	\$ 66,746.60
ACH Addenda Originated Annually	378,688	\$.004	\$ 1,514.75
ACH Origination Files Transmitted Annually via CPS – contains multiple Participant files (batches), but one transmission daily. Each Participant to be invoiced for its file and transactions within each file.	300	\$ 2.75	\$ 825.00
ACH Origination Files Transmitted Annually non-CPS	1,880	\$ 2.75	\$ 5,170.00
Transmission Maintenance Fees for DCC Monthly	2,180	N/A	N/A
Transmission Maintenance Fees for Participant Monthly	8,986	N/A	N/A
Other			
Other ACH Related Services			
ACH Returns Annually	53,938	\$.50	\$ 26,969.00
ACH Notifications of Change Annually	29,167	\$.50	\$ 14,583.50
ACH Reversals Annually	774	\$ 7.00	\$ 5,418.00
ACH Received Entries File Transmission Annually	1,173	\$ 2.75	\$ 3,225.75
ACH Received Entries Per Credit Item Reported Annually	3,337,970	\$.01	\$ 33,379.70
Other			
Settlement Account Services			
Bank Account Monthly Maintenance	2,720	\$ 8.00	\$ 21,760.00
ZBA Account Monthly Maintenance	1,129	\$ 5.00	\$ 5,645.00
Returns Handling Monthly Maintenance	89	0.00	\$ 00.00
ACH Debit Block/Filter Monthly Maintenance	918	\$ 4.00	\$ 3,672.00
Wire Transfers Incoming Annually	10,336	\$ 5.00	\$ 51,680.00
Book Transfers Annually	13,055	\$ 1.50	\$ 19,582.50
Deposits other than ACH Credits Received & wires Annually	34,829	\$.25	\$ 8,707.25
Debit Postings Annually	34,452	\$.03	\$ 1,033.56
Other			
Online Bank Account Reporting			
Monthly Online Reporting Maintenance (Current Day)	4,701	\$ 20.00	\$ 94,020.00
Monthly Online Reporting Maintenance (Previous Day)	0	\$ 20.00	0.00
Other Reports (See Attachment B)	0	N/C	0.00
Other Ongoing Fees (List)			
Total Annual Fees - Ongoing			\$ 369,204.61
Start-up Fees (List)			

Standard Reporting Options – BAFO Exhibit D - 1

Previous Day Standard Reports	Current Day Standard Reports
Balance History Report	Balance Report (Horizontal)
Balance Report (Horizontal)	Balance Report (Vertical)
Balance Report (Vertical)	Summary Report
Summary Report	Detail Report
Detail Transaction List Report	Detail Transaction List Report
Detail Report	Detail with Text Report
Detail with Text Report	Detail New Data with Text Report
Summary and Detail Report	Summary and Detail Report
Summary and Detail with Text Report	Summary and Detail new Data with Text Report
All Data Summary and Detail with Text Report	Summary and Detail with Text Report
ACH Report	All Data Summary and Detail with Text Report
Controlled Disbursement Detail Report	ACH Report
Deposit Report	Controlled Disbursement Presentment Report
Forecast Report	Controlled Disbursement Report with Grand Totals
Forecast with Text Report	Controlled Disbursement Presentment Report – Vertical
Loan Transaction Report	Controlled Disbursement Check Report
Lockbox Deposit Report	Deposit Report
Non-Post Report	ERIN Report
Sweep Summary and Detail Report	Loan Transaction Report
Wire Report	Lockbox Deposit Report
	Non-Post Report
	Returned Item Report
	Sweep Detail Report
	Sweep Summary and Detail Report
	Wire Report

Note: There is no charge for these reports.

Additional Reports available upon request.

Exhibit E

- 1) Training – the State would like an Annual Training Plan that includes rule changes, new employee offerings, and general Treasury Management updates. Please provide in your response to the BAFO and outline of an annual training plan.

As previously stated, Bank of America will provide annual ACH training to include the aforementioned items on a schedule established by OSC. Bank of America will also hold an annual Conference for all Contract Participants. This Conference would be held in the Raleigh Area in much the same manner BofA holds Conferences related to the State Purchasing Card Conference.

Of course we are open to holding ad hoc Training Sessions as requested by OSC.

- 2) Customer Service – please outline in detail the key players that will be associated with the State of NC and this contract, including their roles and responsibilities and points of escalation.

Please see Exhibit E 1.

- 3) Please provide in your BAFO response a tentative schedule for semi-annually contract review meetings.

Bank of America would propose to hold quarterly contract review sessions to be held the first Tuesday of each new quarter at 10:00 am or as directed by OSC.

- 4) Please provide a marketing plan for adding additional participants to the EFT Contract. Also, include how current participants will be folded under this contract.

Bank of America's Government Team deals with North Carolina Cities, Counties, and School Districts on a daily basis. This Team, upon reward will start presenting the benefits of the contract to these entities.

Please note Exhibit E 1 for Team Members.

Please note Exhibit E 2 to see the effectiveness of this methodology as evidenced by the other State Contracts held by Bank of America (Pcard).

- 5) Please explain and show how the Office of State Controller can run YTD reports on contract volumes and transactions.

Bank of America will install and train OSC personnel on the use of CashPro Accelerate. Accelerate will have custom designed reports that will allow OSC to print individual entity / participant reports or overall program performance.

Please see Exhibit E 3 for more on CashPro Accelerate.

- 6) Conversion Plan – please provide a detailed project plan for conversion of the 226 accounts. Including training, participant account setups forms and processing for adding, account security details, tentative date and list of attendees for initial conversion planning meeting.

Please see Exhibit E 4.

Bank of America Key Personnel – Exhibit E 1

Treasury Management

Steve Woodruff, Senior Vice President
Senior Treasury Solutions Manager (Government) - Eastern Region
stephen.woodruff@baml.com 404-607-5878

The Senior Treasury Solutions Manager oversees a team of highly trained Treasury Professionals covering the Eastern Region of the United States. In the Government Sector that includes State Government, City and County Government, School Districts, and Quasi Government entities such as Power Districts.

Gary L. Clark, Senior Vice President
Senior Treasury Officer – North Carolina
gary.l.clark@baml.com 919-585-2270

The Senior Treasury Officer is responsible for all things Treasury related. He is charged with consultation on new products and services as well as new technologies that may be evolving in the industry. He is a technically competent individual with an eye to process efficiencies in various business arenas.

Margaret M. Marchetti, Assistant Vice President
Senior Treasury Solutions Analyst
margaret.m.marchetti@baml.com 804-788-3057

The Senior Treasury Solutions Analyst (TSA) assists the Senior Treasury Officer in the management of the Clients Treasury Services. She is the first contact for the coordination of new services or the modification of existing services. The TSA is available for assistance in document completion and day to day problem resolution.

Client Management

Patty Brooks-Noble, Senior Vice President
Market Executive, Eastern – Region
patricia.i.brooks@baml.com 202-442-3955

The Market Executive oversees a team of Client Managers covering the Eastern Region of the United States. In the Government Sector that includes State Government, City and County Government, School Districts, and Quasi Government entities such as Power Districts.

Rick T. Brown, Senior Vice President
Senior Client Manager, North Carolina
rick.brown@baml.com 919-433-5641

The Client Manager is your financial advisor and is responsible for matching the specific needs of the Client he serves with the Product Expertise required facilitating a positive Customer Experience. The Bank of America client team is responsible for bringing together the solutions and the partners to help you achieve your goals.

Jenny Hayes, Assistant Vice President
Senior Sales Support Associate
jenny.hayes@baml.com 704-818-0535

The Sales Support Associate is responsible for providing sales support to the Client Manager. She coordinates the opening and closing of various accounts and provides answers to transactional questions posed by the Clients they serve.

Credit Products

Mike Bowen, Senior Vice President
Senior Credit Products Manager – Eastern Region
mike.bowen@baml.com 980-388-5167

The Senior Credit Products Manager oversees a team of Credit Product Officers covering the Eastern Region of the United States.

R. B. (Brooks) Scurry, Vice President
Senior Credit Product Delivery Officer
r.b.scurry@baml.com 980-386-5452

The Credit Officer is the Expert consultant in the management of your various credit needs.

Customer Service and Support

Charlene Willis, Vice President
Customer Service and Support Manager – US
charlene.p.willis@baml.com 904-987-8902

The Customer Service and Support Manager oversees a team of Dedicated Service Advisors covering large Public Sector Clientele in the United States.

Katie Stewart, Assistant Vice President
Senior Dedicated Support Advisor
Katie.stewart@baml.com 888-715-1000 Ext 21598

The Senior Advisor is your first and primary contact for any day to day issues and / or questions about your services.

Conversion Implementation and Fulfillment

Brian Casper, Vice President
Complex Implementation Manager
brian.k.casper@baml.com 980-683-8774

The Complex Implementation Manager oversees a team of Implementation Project Coordinators covering large Public Sector Clientele in the United States.

Stowe Barber, Vice President
Senior Implementation Project Coordinator
stowe.barber@baml.com 980-386-3381

The Senior Implementation Project Coordinator (IPC) manages complex implementation / conversions containing multiple products for large Governmental Entities. Typically the IPC will manage several implementation engineers working with several discrete entities with multiple products per entity.

Implementation and Fulfillment (on-going)

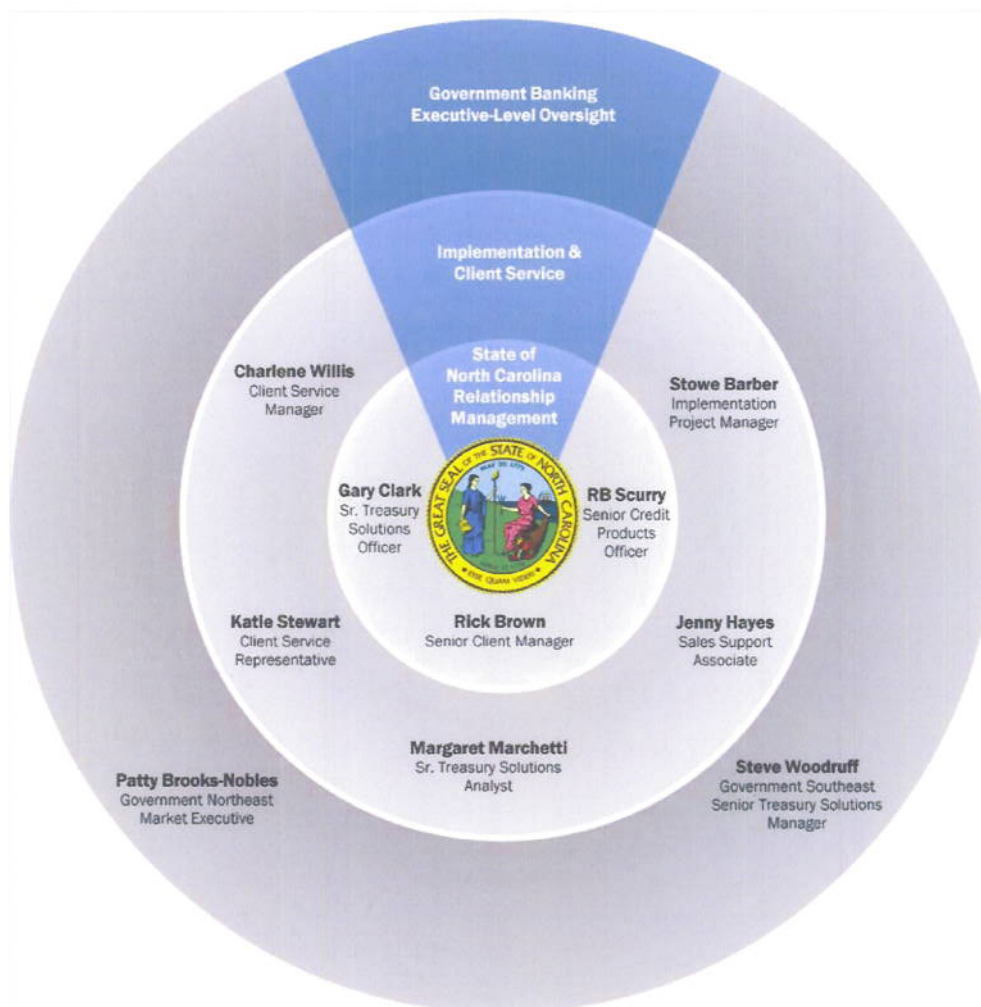
Lynne Wilkes, Vice President
Government Implementation and Fulfillment Manager – East Region

The Government Implementation and Fulfillment Manager oversees a team of Implementation Engineers covering large Public Sector Clientele in the Eastern Region.

Jennifer Walsh, Assistant Vice President
Government Implementation and Fulfillment – North Carolina

The Implementation Engineer is responsible for timely and efficient set up and testing for all Bank of America Products and Services for the use by our Public Sector Clientele.

Bank of America Client Delivery Model



Bank of America Issue Escalation Protocol

Please note the following diagram that delineates the typical issue definition and resolution process.

Level One Support is provided by Katie Stewart, your Dedicated Service Advisor.

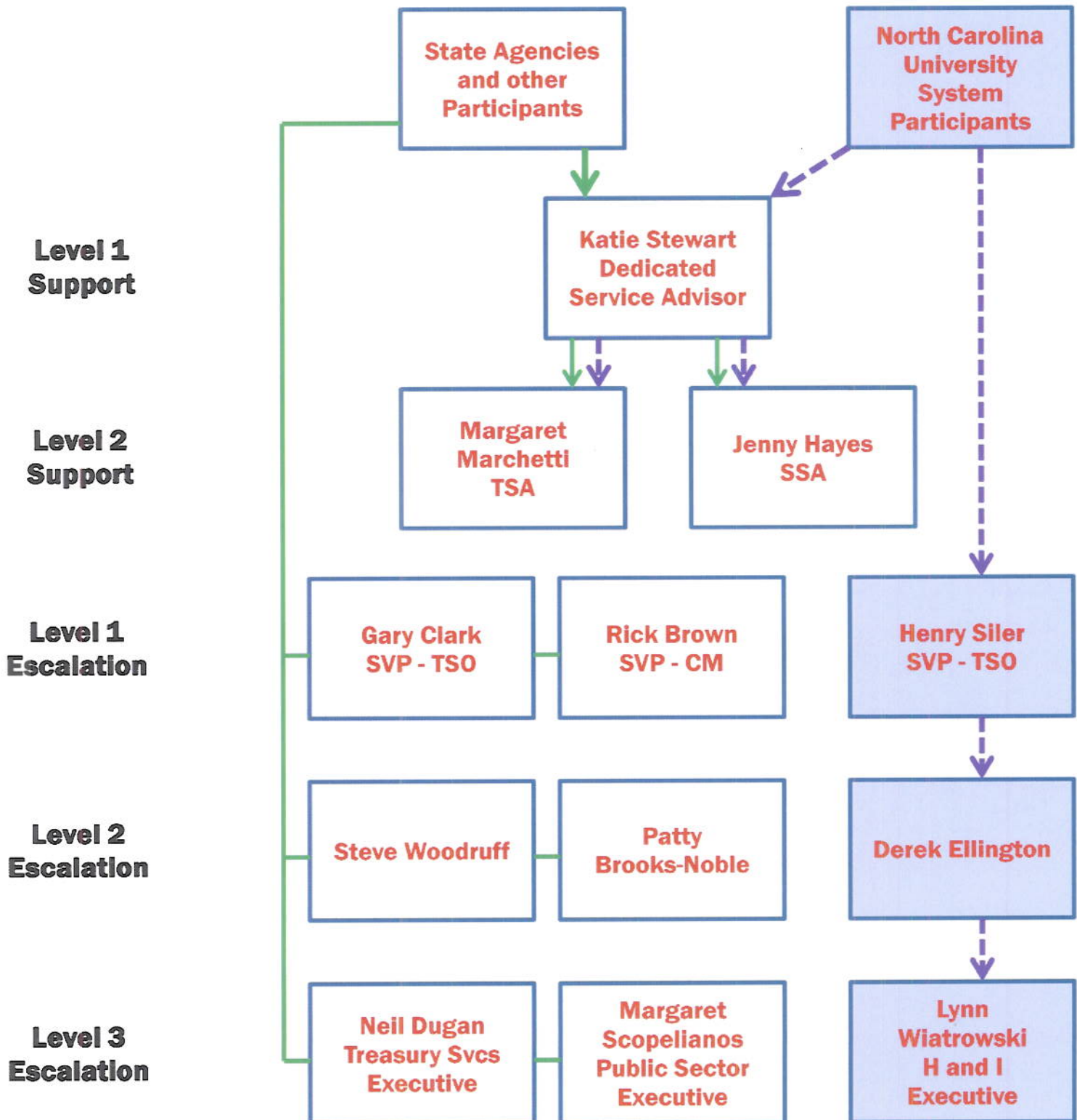
Level Two Support is provided by Margaret Marchetti and/or Jenny Hayes.

Should Support not solve the issue to the satisfaction of the Participant, it may be escalated to Gary Clark and/or Rick Brown. Note: For Institutions this would be Henry Siler.

In the unlikely event the issue is not resolved it may be escalated to Steve Woodruff and/or Patty Brooks-Noble. Note: For Institutions this would be Derek Ellington.

In the highly unlikely event the issue is still not resolved it may be escalated to Neal Dugan and/or Margaret Scopelianos. Note: For Institutions this would be Lynn Wiatrowski.

State of North Carolina
Issue Resolution and
Escalation Matrix



Purchasing Card Contract Performance - Exhibit E 2

Before Bank of America ...

2004 Program Spend	\$ 57,000,000
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2005 Program Spend	\$ 82,000,000
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July, 2005 there were 30 participants in the program and 9,100 active cards.

2007 Program Spend	\$ 139,811,244
--------------------	----------------

2008 Program Spend	\$ 141,380,421
--------------------	----------------

2009 Program Spend	\$ 144,397,374
--------------------	----------------

2010 Program Spend	\$ 224,975,627
--------------------	----------------

2011 Program Spend	\$ 286,957,314
--------------------	----------------

January, 2011 there are 95+ entities on State contract and 20,900 active cards.

Exhibit E 3

Quick tips for working with CashPro Accelerate®

**Bank of America
Merrill Lynch**



Automate your daily key cash management processes with speed and accuracy.

Does your company spend time logging into bank accounts? Scanning balances? Re-keying data into Excel? With CashPro Accelerate® you will spend less time managing cash balances and more time concentrating on your business. This innovative solution automatically calculates your cash position, reconciles transactions and matches transactions to your general ledger accounts. By automating the daily cash management process, it can enable you to work faster, increase accuracy and make more informed decisions.

Retrieve bank account information with a click of a button.

CashPro Accelerate can take the manual work out of your cash positioning. This innovative tool automatically populates Microsoft® Excel spreadsheets with your Bank of America account data and other bank data via multibank reporting from all your domestic and international accounts. It even converts currencies with a built-in currency exchange rate sheet. CashPro Accelerate works in tandem with CashPro® Information Reporting, which delivers up to 365 days of historical data with a mouse click, or by scheduling a daily download in advance.

Gain a clear view of your cash position with your choice of templates.

Our templates are designed by professional treasury managers to calculate your current cash position. You can choose a dynamic template or create your own customized ad hoc cash position. Both offer you a powerful tool for tracking multiple accounts and transaction types. Accessing detail data, such as individual ACH or wire transfers, is as simple as clicking on a populated cell.

Reconcile forecasted and actual transactions.

View a comparison of the previous day's forecast with the day's final posting. Our Reconciliation feature generates variance sheets that display summary-level and detail information for each transaction so you gain a better understanding of your day-to-day cash flows.



Automatically update your general ledger.

CashPro Accelerate will generate exportable CSV files that upload directly into most accounting systems for posting to the general ledger. This flexible feature enables you to write your own rules to tag transactions and match to your General Ledger accounts you use today.

Gain visibility into your ZBA and Depository + accounts.

CashPro Accelerate enables you to calculate a balance at a sub level or for a location number. In addition, you can use Microsoft® Excel formulas to calculate intercompany loans in a ZBA structure.

More information

Contact your client manager to learn more about CashPro Accelerate.

baml.com/cashproaccelerate

Conversion Matrix – Exhibit E 4

ACH Origination File Transmission	20 days	
Review service requirements	2 days	IPC,sales,client
Provide ACH User Guide, ACH file layouts and communications specifications	2 days	IPC
Determine direct ACH transmission protocol (if appropriate)	2 days	client
Provide ACH Client Contact List Form	1 day	IPC
Return ACH Client Contact List Form	5 days	client
Provide a technical contact name and phone number, plus the est. maximum dollar value of the ACH file on a typical business day	5 days	client
Release credit verification process	1 day	IA
Submit implementation form to ACH Ops.	2 days	IA
Process implementation request	3 days	ACH Ops
Establish communication link, test connectivity	3 days	ACH Ops,DTS Ops,client
File Testing	5 days	client,ACH Ops
Test VRU	1 day	client
Sign off on successful file testing	1 day	client
Provide VRU instructions	1 day	ACH Ops
Move to production	2 days	ACH Ops
Transmit first live ACH file	1 day	client
Discuss results of first production cycle	1 day	IPC,client
Client to start monitoring ACH reports on CashPro Online	2 days	client

CashPro Online	36 days	
Setup Preparation	5 days	
Complete CashPro Online Implementation Form	2 days	IA
Review and Submit CashPro Documents	5 days	IA
Ensure that PCs are internet capable and meet hardware/software requirements.	3 days	client
Direct Client to CashPro University	1 day	IPC
Establish new CashPro Online users as required	10 days	client
Create Wire/ACH templates (if applicable)	5 days	client
Set-up External Administrators	3 days	CashPro Ops,IA
Build CashPro & Services	15 days	
Set-up ACH if required	15 days	CashPro Ops
File testing required	15 days	CashPro Ops,ACH Ops,client
Confirm set-up of CashPro and services	5 days	IPC
Notify Client that service has been established.	1 day	IPC
Entitle users to accounts and service	5 days	client